



Report Highlights

Louisiana State University System

DARYL G. PURPERA,
CPA, CFE

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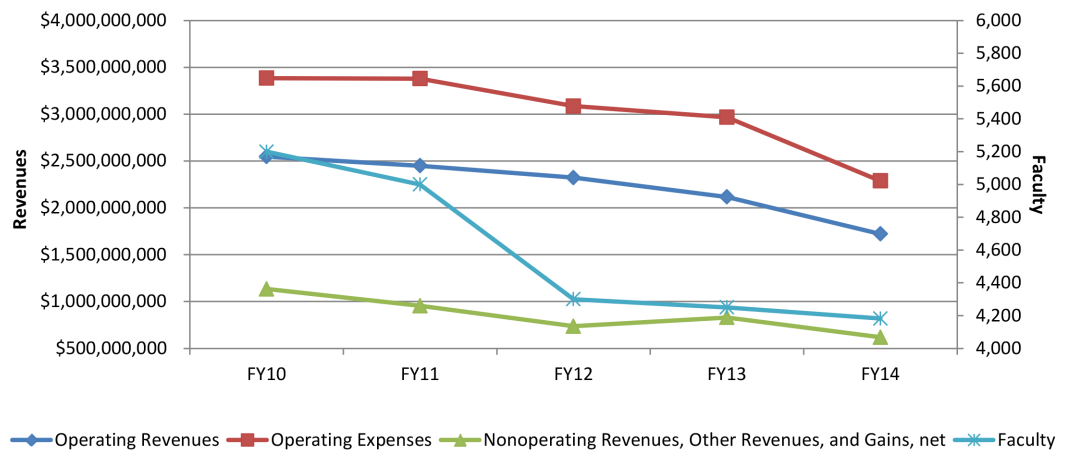
Why We Conducted This Audit

We conducted a financial statement audit of the Louisiana State University System (System) for the year ended June 30, 2014, as a part of the Single Audit of the State of Louisiana and to provide accountability over public funds.

What We Found

- The System's financial statements are fairly stated, as adjusted.
- The Health Care Services Division (HCS) failed to report approximately \$141.5 million in construction costs associated with the construction of the new University Medical Center in New Orleans. After this matter was brought to HCS management's attention, management immediately worked with the Division of Administration's Office of Facility Planning and Control to determine the \$141.5 million should have been capitalized, and an audit adjustment was made to correct the error.
- Other findings related to the campuses and management's responses are included in their respective reports.
- During fiscal year 2014, the System implemented additional public/private partnerships for the management and/or services previously provided by the LSU Hospitals. As of the end of fiscal year 2014, only one of the 10 hospitals originally managed by the System remains under the System's management.
- Operating revenues, operating expenses, and state appropriations declined significantly in fiscal year 2014 mainly because of the hospital privatization agreements noted above. The operating revenue decline caused by a decrease in hospital income was partially offset by an increase in grants and contracts revenues for fiscal year 2014. Tuition and fees have continued to gradually increase in recent years due to approved increases in student tuition and fee charges as allowed by the LA Granting Resources and Autonomy for Diplomas Act.

Fiscal Trends, by Fiscal Year (FY)
Source: FY10-FY14 LSU System Financial Audit Reports



Revenues/Expenses, by Activity, by Fiscal Year (FY)
Source: FY10-FY14 LSU System Financial Audit Reports

